

Characteristics of Firms With Drug Testing Programs

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INTRODUCTION

A clear majority of corporations responding to a 1988 Conference Board survey reported they had, or were in the process of implementing, a drug testing program. The Conference Board is an independent business research organization whose members are primarily medium and large corporations. The level of drug testing activity among corporations in the Board study appears to be consistent with findings from other surveys conducted among similar companies during the same time period.

The study was designed to learn about corporate experiences with drug testing programs and other workplace initiatives for controlling substance abuse. Companies' perceptions and responses to substance abuse problems were addressed in the first half of the survey. The remainder of the survey, not covered in this review, focused on the specifics of drug testing:

- Program administration
- Procedures, test results
- Consequences for employees with positive tests
- Problems encountered
- Assessments of benefits to the company

The survey, conducted among 2,675 large corporations included in the Board's sampling frame, yielded a 25 percent response rate. This paper presents preliminary findings of the survey, and compares characteristics and responses of firms with and without drug testing programs. The complete report, based on a comprehensive analysis of the survey data, interviews with executives in firms with drug testing programs, a review

of policy statements, and other supplementary materials returned with the completed questionnaires, will be issued by The Conference Board in 1989.

SURVEY METHODOLOGY

The nation's largest firms in manufacturing, finance and insurance, construction, utilities, transportation, trade, and other services, constitute the Board's sampling frame. Individual business units of some very large conglomerates, often recently merged corporations, are treated as separate companies in the sample. Sales, assets or deposits, as appropriate, are used as measures of size for determining inclusion in the sampling frame.

Conference Board membership was not one of the criteria used in the sample design. Thus, companies surveyed were not necessarily Conference Board member firms, nor were all Conference Board corporate associates included in the survey. However, considerable overlap undoubtedly exists between the survey sample and The Conference Board's membership, and the degree of familiarity with the Board is likely to have affected the response rate.

Firms were surveyed by mail in February 1988, with a follow-up mailing approximately 6 weeks later. The questionnaires were addressed to the senior, corporate-level human resources officer. If that individual was not known by name, and no other names were available on the Board's mailing lists for an appropriate job title, the survey was directed to a generic job title, "Senior Human Resources Officer."

As in most surveys conducted by The Conference Board, participants were requested to enter the company's name and address on the questionnaire, and provide the name, title and telephone number of the person completing the form. In return, confidentiality was assured by the Board, and no company-specific information would be revealed without prior approval from the participant. Virtually all respondents to Conference Board surveys provide this information, and the current experience was not an exception.

PROFILE OF RESPONDENTS

Response rates varied by industry. They were on a par with the overall rate (25 percent) in the manufacturing, finance and insurance sectors. However, the proportion of respondents was significantly higher among

gas and electric utilities, and significantly lower in other industry groups. Respondents tended to reflect The Conference Board's traditional constituencies. Differences in attitudes toward drug abuse problems-and experience in dealing with them-may also have affected a company's interest in participating in the study.

Two out of five companies in the survey are manufacturers, somewhat under a third from financial service firms, one-sixth from utilities, and the remainder from other industry groups. Over half have more than 5,000 U.S.-based employees, and two-fifths have work forces of at least 10,000. (Although nearly half of the survey participants reported their firms have employees outside the United States, most drug-abuse control efforts in U.S.-based, multinational companies are directed only at their domestic work forces.) Respondents are headquartered in all but four of the 50 States, with the greatest concentration in the industrial North Central States and somewhat fewer in the Northeast and South.

FIRMS WITH AND WITHOUT DRUG TESTING PROGRAMS COMPARED

Just under half the companies studied have active drug testing programs for applicants and/or employees. Another 6 percent indicated plans were currently under way to implement such a program. The majority of non-testing firms had either considered and rejected the idea, or had no plans to investigate drug testing. Although "about-to-implement" companies could also be grouped with, those now testing, this comparative analysis defines testing and non-testing companies according to their experiences at the time of the survey.

Some cautionary notes: This paper looks at corporate response to substance abuse through only one lens, drug testing. Thus, while this review makes some broad observations about characteristics and conditions in companies that utilize drug testing, it may overstate some of the differences that exist between firms that test and those that do not. Drug testing is a new experience for most employers--well over two fifths of the programs described by survey respondents were less than 2 years old. The presence of other initiatives, such as employee assistance programs, may provide the motivation for employers to deal with workplace substance abuse. In addition, drug testing itself is a multi-dimensional program that, in different companies, may involve different categories of employees, job applicants--or both. For example, for many employers, drug testing is an "externalized" program, confined to the preemployment process, and does not involve active employees. The characteristics of firms that only test applicants may differ substantially from companies that also include various forms of employee drug testing.

Industry and Workforce Profiles

The survey found that 75 percent of the firms conducting drug testing are manufacturers or utilities, while close to half the companies without these programs are in banking, insurance or other financial services. Put another way, in most industry categories, drug testing is the rule; the principal exception being the financial services sector, where only 13 percent of the companies have drug testing programs.

It is not surprising that industries conducting drug testing also tend to be male-intensive and include a higher proportion of workers in skilled crafts, production and laborer categories. Unions, too, are far more likely to be present in the drug testing firms. By contrast, again probably because of the industry breakout, a majority of non-testing firms have female-intensive work forces, a high percentage of employees in clerical jobs, and relatively little unionization.

It also appears that companies conducting drug testing have large labor forces located in multiple sites. The higher incidence of drug testing is not surprising since larger firms are more likely to respond to workplace problems with "programs."

Perceptions of Drug Problems at the Workplace

Companies have different views on substance abuse problems in the workplace. For example, the survey indicates drug testing employers may perceive substance abuse as a more complex though not necessarily a more serious problem than their non-testing counterparts. However, executives in testing and non-testing firms agree that while substance abuse is not confined to any one group of employees, these problems tend to be concentrated in certain operations or locations.

Major differences exist in attitudes toward alcohol, illegal drugs and recent trends. Very few responding firms believe illegal drugs alone are the primary form of substance abuse problems at the workplace. There is, however, great disagreement among survey participants regarding the prominence of alcohol abuse in their work forces. Executives in nearly two-thirds of the drug testing firms blame alcohol and illegal drug use for significant problems among their employees; only one in four reported alcohol alone as the most critical problem. By contrast, almost two-thirds of the employers without testing programs regard alcohol as the principal substance of abuse, and only about one-third say they have serious problems with other drugs.

Not surprisingly, nearly half the drug testers describe illegal drug use as a more serious problem than it was 5 years ago, while only 10 percent believe alcohol abuse is increasing. In the non-testing population, a somewhat larger percentage sees alcohol as a growing problem, and relatively fewer view illegal drugs in that light. Executives in drug testing firms seem to be slightly more optimistic than non-testers about trends in alcohol and drug use during the last 5 years. On the other hand, more officials in the non-testing group responded "don't know" when asked about recent trends in their companies.

How seriously employers view drug problems also influences their decision to implement or reject drugtesting as a substance abuse control strategy. Executives who have launched drug testing programs say the single most compelling reason for taking action was evidence of drug problems at the workplace. Many of those who discarded the option, after investigating the pros and cons, express concern about the negative impact such a strategy would have on employee relations-particularly where drug abuse is not deemed to be a significant problem.

Other Initiatives To Control Substance Abuse

Overall, actions of corporations with drug testing programs seem to be consistent with their executives' attitudes toward substance abuse. They see a serious, polydrug problem not under control; and are dealing with it in a variety of ways. Firms not engaged in drug testing also appear less likely to undertake other activities to combat drugproblems. The industrial make-up of non-testing Arms is a significant factor. Unlike manufacturing firms, few have the tradition of occupational alcoholism programs. Without long experience in dealing with employee substance abuse, many may be feeling their way before developing specific responses to such problems. Some employers may consider themselves insulated from substance abuse problems because of what they view as special circumstances, such as the nature of their work force, type of industry, or region of the country.

The Conference Board survey found that drug testing firms have a consistently greater involvement with other substance abuse control measures than non-testing firms. This would seem to contradict the view held by some opponents of drug testing that this strategy is often used as a stand-alone procedure for "curing" workplace drug problems. Instead, it appears that most companies involved in drug testing move cautiously before adopting such programs, and put in place or adapt other measures in an effort to construct a well-defined and coordinated drug-control strategy.

1. Substance Abuse Policies and Procedures

More than 90 percent of the companies with drug testing programs have written substance abuse policies. Almost 40 percent of those with policies have had them in place for at least 5 years. A significant number of these firms indicate, however, that their policies have been updated within the last several years, often to broaden their focus. Over 70 percent of the drug testing firms' policies now cover employee use of all mind-and behavior-altering substances--including prescription drugs--and more than 25 percent regulate both on- and off-the-job behavior. By comparison, nearly half the non-testing group have no written substance abuse policies, and where such policies exist, they tend to be of more recent origin and less comprehensive in scope.

Policies express employer positions on substance abuse in general terms. More detailed procedures to assist supervisors confronted with employee drug problems help clarify responsibilities and outline specific actions. As drug-testing firms are more likely to have written policies, a larger percentage of them also prepare written guidelines for their supervisors.

2. Drug Training and Education

The extent to which corporations communicate their policies determines their effectiveness. Experts on policy development recommend that employers take advantage of every available opportunity to inform employees about the company's commitment to its substance abuse policy. Among surveyed firms with drug testing programs, policies are communicated **through:**

- New-employee training programs
- Special training sessions for current employees and supervisors
- Employee handbooks
- Company newsletters or magazines

Non-testing firms also rely on new employee orientation and employee handbooks to inform workers of company policy, but tend to place less emphasis on training sessions.

Companies engaged in drug testing develop or sponsor educational materials regarding dangers of alcohol and drug use almost twice as often as non-testing firms. In addition, while employers in both groups sometimes distribute information prepared by government agencies *or* other outside organizations, generic materials are used more frequently in companies without drug testing.

3. Employee Assistance Programs

Employee assistance and counseling services (EAPs) are considered by many corporations to be an essential component of a comprehensive substance abuse control strategy. Over the years, they have evolved from occupational alcoholism programs to broad-brush services that deal with employee use of addictive drugs, as well as a wide variety of other problems encountered by employees and their dependents (e.g., other health issues, personal, marital, family, legal, and financial problems). Their focus has been to help employees overcome problems that may interfere with their productivity on the job.

EAP services have come to be recognized (and recommended by legal experts) as a positive indication of company willingness to accommodate employees with substance abuse or other problems before taking punitive action. The controversial aspects of drug testing have received more attention as testing has become more popular among employers. Thus, while EAPs predate drug testing programs in many firms, others started EAPs when they initiated drug testing. The primary motive of EAPs may be to assist employees with drug problems, but they also serve as protection against employee challenges to drug-related disciplinary actions or discharges.

The survey found that more than 75 percent of the companies testing for drugs make employee assistance and counseling services available to their employees. Less than 60 percent of the non-testing companies have EAPs. Although close to 50 percent of the EAPs reported in the survey are more than 5 years old, about 20 percent have been operating less than 2 years. EAPs in non-testing firms are generally of more recent origin and more likely to be provided by outside contractors.

4. Security Procedures

Few companies surveyed have adopted special security measures, such as locker and desk searches, searches of employee vehicles on company

property, checks on entering and leaving the worksite, or drug-sniffing dogs, to deal with drug problems on company property. The survey showed that just 36 percent of employers with drug testing programs instituted such procedures. The number of non-testing firms employing any special security measures is very small.

CONCLUSIONS

Drug testing programs are common among major manufacturing firms and in the utility and transportation sectors, but are far less prevalent in other businesses. The high incidence of drug testing among firms in The Conference Board survey is reflective of both sample selection and response rates. Companies with drug testing programs seem to regard drug problems as more pervasive and more complex than do non-testing companies, and are consistently more likely to employ multiple strategies for dealing with workplace drug use.

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